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Joint Committee on Finance *100TH ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: March 15, 2011

Re: DCF Report to JFC

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



wisconsin department of
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Governor Scott Walker
Secretary Eloise Anderson

Secretary's Office

March 14, 2011

Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
Room 309 East, State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

This letter provides the Department of Children and Families' March 2011 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, February 2011

Expenditures related to fraud prevention and investigation: \$231,700

The above amount represents the February 2011 costs of the Child Care Fraud Detection and Investigation Unit, information technology programming costs, and an estimate of county expenditures from their DCF allocations for investigating suspected fraudulent activity.

Expenditures related to recovering overpayments due to error or fraud: \$54,400

The February 2011 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

Overpayment and/or restitution collected by DCF: \$610,446

In February 2011, DCF collected \$453,849 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$156,597 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are owed to DCF as a result of an administrative finding that an overpayment has occurred.

Overpayment and/or restitution collected by other agencies: \$0

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No overpayments and/or restitution collections have been reported by other agencies in February 2011 to DCF.

Providers Suspended from the Wisconsin Shares Program, February 2011

During the month of February, DCF suspended payments to five child care providers; all five were from Milwaukee County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during February a total of \$663,577 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through February the cumulative total for overpayments established against suspended providers since February of 2009 stands at \$7,080,601.

Automatic Authorization of Child Care Hours System

Number of changes made to authorized hours during the month: 3,095 changed authorizations
This figure reports the total number of active authorizations in February that were reduced by the automated system.

Total reduction made to the authorized hours during the month: 22,495 hours
This figure reports the total number of hours taken off of active authorizations in February that were reduced by the automated system.

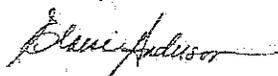
Estimated savings in the month due to the automated authorization adjustment system: \$169,216
This is an estimate of the maximum potential savings for those active authorizations in February that were reduced by the automated system.

Were child care quality improvements identified via use of the new system? To date, no.
The system was launched on May 15, 2010 and was designed primarily to improve consistency in the authorization process rather than to identify opportunities for making quality improvements.

Estimated annualized ongoing costs to operate the automated system: \$50,000
The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Eloise Anderson
Secretary

cc: Mike Huebsch, Department of Administration
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions
February 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Overpayment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Jacqueline Jordan	Milwaukee	02/18/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to have attendance records available at the child care site when the department requested to review them; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The provider a) was unable to provide investigators with requested attendance records from 9/26/2010 through 1/20/2011; b) billed for children who were not in attendance; c) billed for children who were never in attendance; and d) billed for children no longer attending the child care center, even after the parents stopped bringing their children to the child care center.</p>	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

**Wisconsin Shares Provider Suspensions
February 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Pha Thi Day Care	Milwaukee	02/18/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and investigation including but not limited to: 1) the provider's failure to have attendance records available at the child care site when the department requested to review them; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The provider a) was unable to provide investigators with requested attendance records from 1/3/2010 through 1/9/2011, some attendance records were provided, but only a few of the 52 weeks requested; b) billed for children who were not in attendance; and c) billed for more hours than children actually attended.</p>	Yes	Overpayment established pending per formal investigation completion	Yes	N/A

**Wisconsin Shares Provider Suspensions
February 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Heals the Land Child Care Center	Milwaukee	02/25/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.	Yes	\$12,920.14	Yes	No
			The provider billed for children who did not appear on the attendance records and reported caring for more children than the provider's licensed capacity permits.				

**Wisconsin Shares Provider Suspensions
February 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Milwaukee All Star Child Care	Milwaukee	02/25/2011	The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to maintain and submit accurate attendance records as required by the Shares program and 2) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program. The provider billed for more hours than children actually attended and billed for children who did not appear on the attendance records or were marked as absent on the attendance records.	Yes	\$13,152.72	Yes	No

**Wisconsin Shares Provider Suspensions
February 2011**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Nakeema's Wonderland Child Care	Milwaukee	02/25/2011	<p>The Department of Children and Families suspended all Wisconsin Shares payments to the provider based on a reasonable suspicion that the provider violated provisions of the Wisconsin Shares program. The suspension was based upon a combination of red flags indicating a likelihood of Shares violations and the following findings from the Department's investigation including but not limited to: 1) the provider's failure to provide access to the child care facility during the provider's stated hours of operation; 2) the provider's failure to maintain and submit accurate attendance records as required by the Shares program; and 3) the provider's failure to comply with the statutes, promulgated rules, or policies of the Wisconsin Shares program.</p> <p>The Department has been unable to verify the actual care of children at the provider's facility. The Department attempted to visit the provider's facility on four occasions (10/4/2010, 11/4/2010, 11/8/2010, and 11/9/2010) and was unsuccessful in gaining access to the facility. The unsuccessful attempts to verify the presence of children attending the provider's facility raises a strong and reasonable suspicion that the provider is billing the Wisconsin Shares program for children who did not actually attend the provider's child care facility.</p>	Yes	\$1,697.80	Yes	No

